



27 August 2015

ASX RELEASE

The Manager
ASX Market Announcements
ASX Ltd
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir

NON-RENOUCEABLE RIGHTS OFFER

KalNorth Gold Mines Limited (ASX: KGM) refers to its non-renounceable entitlement offer of 157,983,017 new Shares at \$0.01 per Share, on the basis of 1 new Share for every 2 Shares held as at the Record Date, to raise up to approximately \$1,579,830.

Acceptances have been received for 44,730,803 Shares, leaving a shortfall of 113,252,214 Shares. As noted in the prospectus, the Directors reserve the right to place the shortfall within a period of three months after the Closing Date.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Lijun Yang", is positioned above the printed name and title.

Lijun Yang
Executive Director